

HOUSE No. 1499

By Mr. Mariano of Quincy, petition of Ronald Mariano relative to the rates of reimbursement for nursing homes. Elder Affairs.

The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

AN ACT RELATIVE TO LIABILITY INSURANCE PAYMENTS.

1 *Whereas*, the nursing home industry faces a liability insurance
2 crisis due to insurers leaving the nursing home industry market
3 and liability insurance premiums soaring beyond the general rate
4 of inflation;

5 *Whereas*, the current reimbursement methodology whereby
6 nursing homes are reimbursed for services by governmental units
7 does not adequately take into account the liability insurance crisis
8 facing the nursing home industry; and

9 *Whereas*, the deferred operation of this act would tend to defeat
10 its purpose, which is to afford nursing homes an immediate oppor-
11 tunity to address the liability insurance crises facing the nursing
12 home industry or for other important public purposes,

13 *Therefore*, it is hereby declared to be an emergency law, neces-
14 sary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

15 Section 7 of Chapter 118G of the General Laws as appearing in
16 the 2002 Official Edition, is hereby amended by adding the
17 following paragraph:

18 In setting prospective rates of reimbursement for nursing
19 homes, the division shall, for any such rates, permit any nursing
20 home that so elects, to include the home's actual liability insur-
21 ance costs (including, without limitation, general and professional
22 liability insurance costs) as an allowable rate year per diem add-
23 on. If a nursing home makes the election provided for in the pre-
24 ceding sentence, the nursing home's base year liability insurance
25 costs shall be removed from the calculation of the nursing home's
26 other operating costs.